

AMENDED REDEVELOPMENT PLAN

Victor Valley Redevelopment Project
~ Including Amendments I thru VIII ~

Ordinance No. _____

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INTELLIGENT COMMUNITY DEVELOPMENT

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AMENDED REDEVELOPMENT PLAN
for the
VICTOR VALLEY REDEVELOPMENT PROJECT
~ Including Amendments I thru VIII ~

SECTION I. (100) INTRODUCTION

A. (101) General

This is the Amended Redevelopment Plan for the Victor Valley Redevelopment Project Area ("Project Area") located in the County of San Bernardino (the "County") which encompasses land area that falls within the legislative jurisdictions of the Cities of Adelanto, Hesperia and Victorville, the Town of Apple Valley, and land area which is unincorporated and falls under the jurisdiction of the County of San Bernardino ("Participating Jurisdictions"). The Project Area encompasses lands located within the Participating Jurisdictions' boundaries that are generally contiguous with George Air Force Base (the "Air Base") and are not part of an existing redevelopment project area. The properties within the Project Area are immediately adjacent to or in proximity (within an 8 mile radius) of the Air Base and contain deteriorated properties, inadequate infrastructure and blighting conditions that require the powers and tools of redevelopment to solve, or are required to effectively redevelop the Project Area.

This Amended Redevelopment Plan ("Redevelopment Plan" or "Plan") consists of the text (Sections 100 through 1100); the Redevelopment Plan Map for the Victor Valley Redevelopment Project (Exhibit A), the Redevelopment Plan Map for the Fourth Amendment Added Area (Exhibit A-1), and the Redevelopment Plan Map for the Eighth Amendment Added Area (Exhibit A-2); the legal description of the Victor Valley Project Area boundaries (Exhibit B), the legal description of the Fourth Amendment Added Area boundaries (Exhibit B-1), and the legal description of the Eighth Amendment Added Area boundaries (Exhibit B-2); a map depicting the eminent domain area for the 1998 Amendment Area (Exhibit C), a listing of the County Assessor Parcel numbers and street addresses of properties within the 1998 Amendment Area (Exhibit C-1), a map of the Fourth Amendment eminent domain area (Exhibit C-2), a map of the 2003 Amendment Area eminent domain area (Exhibit C-3), a legal description of the 2003 Amendment Eminent Domain Area (Exhibit C-4), a listing of the County Assessor Parcel numbers and street addresses of the certain properties affected by eminent domain in the 2003 Amendment Area (Exhibit C-5); a listing of the proposed redevelopment project improvements (Exhibit D); and a Diagram on Open Space for the Victor Valley Project Area (Exhibit E), a Diagram on Open Space for the Fourth Amendment Added Area (Exhibit E-1), and a Diagram on Open Space for the Eighth Amendment Added Area (Exhibit E-2).

This Redevelopment Plan has been prepared by the Victor Valley Economic Development Authority ("VVEDA") pursuant to the California Community Redevelopment Law of the State of California (Health and Safety Code Section 33000, et seq.), the California Constitution and all applicable laws and ordinances. Specific provisions of the California Community Redevelopment Law (Section

33492.40) provide the authority for the legislative bodies of the communities having territory within, adjacent to, or in proximity of the Air Base to create a joint powers agency to effectuate the redevelopment of the Air Base and certain properties within eight (8) miles of the boundaries of the Air Base. It provides VVEDA with powers, duties and obligations to implement and further the program generally formulated for the redevelopment, rehabilitation, and revitalization of the Project Area. VVEDA's prime purpose and function as a joint powers authority and in the adoption of this Redevelopment Plan is to provide the mechanism and funding to: (1) acquire the Air Base and facilitate the successful reuse of the property; (2) ensure that adequate access exists to and from the major transportation systems and the Air Base; (3) promote economic development within the area surrounding the Air Base; and (4) provide for affordable housing opportunities in accordance to participating jurisdictions' Housing Elements. This Redevelopment Plan does not present a specific plan for the redevelopment, rehabilitation and revitalization of any area within the Project Area. Instead, it establishes a process and framework for implementation.

This Plan amends and supersedes the existing Redevelopment Plan for the Victor Valley Redevelopment Project originally adopted on December 28, 1993 by Ordinance No. 2 and most recently amended on June 8, 2005 by Ordinance No. 11. This Plan will further amend the existing Plan by increasing the size of the Project Area by approximately 30,166 acres, incorporating additional property in the Cities of Adelanto and Victorville, the Town of Apple Valley, and the County of San Bernardino.

This Redevelopment Plan is based upon the 1993 Preliminary Plan adopted by VVEDA and amended on December 20, 2006 for the Eighth Amendment to the Redevelopment Plan and was adopted in accordance with the provisions of Health and Safety Code 33492.40 (formerly 33020.5).

B. (102) Background

VVEDA adopted the initial Redevelopment Plan for the Victor Valley Redevelopment Project on December 28, 1993 by Ordinance No. 2. The Redevelopment Plan was amended on December 28, 1994 by Ordinance No. 4 to allow VVEDA to collect tax increment revenues for up to forty-five years following the Redevelopment Plan's adoption date. The Plan was amended again on June 11, 1997 by Ordinance No. 5 to implement special legislation (Assembly Bill 971) which was subsequently updated by new special legislation changing the base year to 1997-98. The 1998 Amendment to the Redevelopment Plan amended the Plan on June 10, 1998 by Ordinance No. 7 and allowed for the power of eminent domain in certain primarily nonresidential areas in the Project Area, which were located within the jurisdiction of the Town of Apple Valley and the County unincorporated territory. The Fourth Amendment to the Redevelopment Plan was adopted on July 12, 2000 by Ordinance No. 8 to add additional territory to the Project Area from the County of San Bernardino, and the Cities of Adelanto and Victorville and provide for authority to use eminent domain on certain properties. On December 23, 2003, the Plan was

amended further by Ordinance No. 9 to expand the authority for VVEDA to acquire property using eminent domain within certain portions of the cities of Victorville and Adelanto and a portion of the unincorporated San Bernardino territory. The Plan was amended again on June 23, 2004 by the adoption of Ordinance No. 10 allowing VVEDA to defer deposits to the housing set-aside funds for a maximum of five years to allow funding for infrastructure projects and other general redevelopment activities. In addition, the preceding amendment also provided that the repayment of any deferred amounts will extend for fifteen (15) years with payments commencing at year six (6) with full repayment by year twenty (20). The most recent Plan amendment, adopted on June 8, 2005 by Ordinance No. 11, allowed VVEDA members to make an election to defer the deposit of the low and moderate income housing funds for a period not to exceed five years to facilitate infrastructure and other redevelopment projects; repayment of any such deferment must be made by July 12, 2045.

The Eighth Amendment area to be added ("Eighth Amendment Added Area") includes approximately 30,166 acres (excluding public rights-of-way) in the cities of Adelanto and Victorville, the Town of Apple Valley, and the County of San Bernardino. The area lies within proximity to the former George Air Force Base as defined by California Community Redevelopment Law.

SECTION II. (200) GENERAL DEFINITIONS

The following definitions will be used generally in the context of this Redevelopment Plan unless otherwise specified herein:

- A. "VVEDA" means the Victor Valley Economic Development Authority.
- B. "VVEDA Board" means the governing body of the Victor Valley Economic Development Authority.
- C. "1993 Project Area" means territory included in the Project Area as adopted by Ordinance No. 2 adopted on December 28, 1993, as such territory is depicted on the Map (Exhibit A).
- D. "Air Base" means the former George Air Force Base.
- E. "Annual Work Program" means that portion of VVEDA's annual budget that sets forth programs and goals to be accomplished by VVEDA during the fiscal year.
- F. "County" means the County of San Bernardino, California.
- G. "Disposition and Development Agreement" means a contractual agreement between a developer and VVEDA that sets forth terms and conditions for redevelopment.

- H. "Eighth Amendment Added Area" means territory added to the Project Area by the Eighth Amendment to the Redevelopment Plan by Ordinance No. 12 as adopted on December 20, 2006, as such territory is depicted in Exhibit A-2.
- I. "Fourth Amendment Added Area" means territory added to the Project Area by the Fourth Amendment to the Redevelopment Plan by Ordinance No. 8 as adopted on July 12, 2000, as such territory is depicted in Exhibit A-1.
- J. "Impacted Area" means that area inclusive of the Air Base encompassed within eight miles of the boundaries of the Air Base.
- K. "Joint Powers Agreement" means the Agreement, as amended, whereby the Cities of Adelanto, Hesperia and Victorville, the Town of Apple Valley, and the County of San Bernardino agreed upon and formed a joint powers authority whose purpose is to plan for the use and reuse of the Air Base and certain areas in proximity to the Air Base, to acquire, own, maintain and operate a civil aviation facility.
- L. "Map" means the Redevelopment Plan Map, attached hereto as Exhibit A.
- M. "Method of Relocation" means the method or plan adopted by VVEDA pursuant to Section 33352(d) of the Redevelopment Law for the relocation of families, persons and businesses to be temporarily or permanently displaced by actions of VVEDA.
- N. "Owner Participation Agreement" means a contractual agreement between VVEDA and a property owner or tenant which sets forth terms and conditions for redevelopment.
- O. "Participating Jurisdictions" means those legislative jurisdictions that are a party to VVEDA's Joint Powers Agreement.
- P. "Person" means an individual(s), or any public or private entities.
- Q. "Project Area" means the combined 1993 Project Area, the Fourth Amendment Added Area, and the Eighth Amendment Added Area as shown in Exhibits A, A-1, and A-2.
- R. "Redevelopment Law" or "Law" means the California Community Redevelopment Law of the State of California (California Health and Safety Code, Sections 33000 et seq.) as it now exists or is hereafter amended.
- S. "Redevelopment Plan" means the Redevelopment Plan for the Victor Valley Redevelopment Project Area and all subsequent amendments.
- T. "State" means the State of California.

- U. "Tax Increment Revenues" means moneys allocated or paid to VVEDA derived from each of the following sources: (a) that portion of taxes levied upon assessable property within the Project Area allocable pursuant to Article 6 of Chapter 6 of the Redevelopment Law and Section 16 of Article XVI of the Constitution of the State, and received by VVEDA, as incremental taxes subject to the exclusions and exceptions set forth in Section 702 and Section 704; and (b) reimbursements, subventions, including payment to VVEDA with respect to personal property within the Project Area pursuant to Section 16110, et. seq., of the Government Code of the State, or other payments made by the State with respect to any property taxes that would otherwise be due on real or personal property but for an exemption of such property from such taxes.

SECTION III. (300) PROJECT AREA BOUNDARIES

The boundaries of the 1993 Project Area, the Fourth Amendment Added Area, and the Eighth Amendment Added Area are illustrated on the maps attached hereto and incorporated herein as Exhibit A, Exhibit A-1, and Exhibit A-2 respectively. The legal descriptions of the boundaries of the Project Area, the Fourth Amendment Added Area, and the Eighth Amendment Added Area are as described in Exhibit B, Exhibit B-1, and Exhibit B-2 attached hereto and incorporated herein.

SECTION IV. (400) REDEVELOPMENT PLAN GOALS

VVEDA's prime purpose and function in the adoption of this Redevelopment Plan is to provide the mechanism and funding to: (1) acquire the Air Base and facilitate the successful reuse of the property; (2) ensure that adequate access exists to and from the major transportation systems and the Air Base; (3) promote economic development within the area surrounding the Air Base; (4) to cause the replacement of jobs which resulted from the closure of the Air Base; and provide affordable housing opportunities in accordance with the participating jurisdictions' Housing Elements. Therefore, implementation of this Redevelopment Plan is intended to achieve the following goals:

1. To pursue the successful reuse and development of the Air Base and its facilities.
2. To assist the Participating Jurisdictions in pursuing programs for job retention and job creation.
3. To assist the Participating Jurisdictions in pursuing programs for economic development and economic diversification.
4. To provide tools that will assist in the pooling of resources by the Participating Jurisdictions so that they can better attack the problems of blight elimination, improvement of the infrastructure and expansion of the region's economic base.

5. To provide adequate roadways, to correct street alignment problems, to eliminate road hazards and to provide adequate access to freeways.
6. To eliminate and prevent the spread of blight and deterioration and to conserve, rehabilitate, and redevelop the Project Area in accordance with the Redevelopment Plan and future Annual Work Programs.
7. To encourage the cooperation and participation of resident, business persons, public agencies and community organizations in the revitalization of the Project Area.
8. To encourage the investment of the private sector in the full development of the Project Area.
9. To provide needed improvements to the community's education, cultural and other community facilities to better serve the Project Area.
10. To promote public improvement facilities which are sensitive to the unique environmental qualities of the Project Area.
11. To establish a program that promotes the rehabilitation of the existing housing stock where appropriate.
12. To remove impediments of land assembly and development through acquisition and reparcelization of land into reasonably sized and shaped parcels served by an improved street system and improved public facilities.
13. To expand the resource of developable land by making underutilized land available for development.
14. To control unplanned growth by guiding new development to meet the needs of the community as reflected in this Redevelopment Plan and the Annual Work Program.
15. To alleviate certain environmental deficiencies including substandard vehicular and pedestrian circulation systems and other similar public improvements.
16. To alleviate local drainage conditions that constrain the development of various parcels in the Project Area, the cost of which cannot be borne by private enterprise acting alone.
17. To achieve an environment reflecting a high level of concern for architectural, landscape and urban design principles appropriate to the objectives of the Redevelopment Plan.
18. To make provisions for housing as is required to satisfy the needs and desires of the various age and income groups of the community, maximizing the opportunity for individual choice, and meeting the requirements of state law.

19. To develop safeguards against noise and pollution to enhance the industrial/commercial community.
20. To coordinate revitalization efforts in the Project Area with other public programs of the impacted jurisdiction and Participating Jurisdictions and surrounding area.
21. To upgrade the existing industrial uses in the Project Area and provide for new uses to replace industrial uses lost through the Air Base closure.
22. To maintain technical expertise in the area which would be potentially lost through the closure of the Air Base.

SECTION V. (500) REDEVELOPMENT ACTIONS

A. (501) General

VVEDA is a Joint Powers Authority formed pursuant to Government Code Section 6500 and authorized by Section 33492.40 of the Redevelopment Law. VVEDA's intended purpose is to plan for the use and reuse of the Air Base and to acquire, own, maintain and operate it as a civil aviation facility.

VVEDA proposes to eliminate and prevent the spread of blighting influences and to strengthen the economic base of the Project Area and the community through including, but not limited to, the following enumerated actions in addition to any other power that may hereafter be granted to VVEDA by the Redevelopment Law and any other State law:

1. The acquisition, installation, construction, reconstruction, redesign or reuse of streets, utilities, curbs, gutters, sidewalks, traffic control devices, flood control facilities and other public improvements.
2. The rehabilitation, remodeling, demolition or removal of buildings, structures and improvements.
3. The rehabilitation, development or construction of affordable housing in compliance with State law.
4. Providing the opportunity for participation by owners and tenants presently located in the Project Area and the extension of preferences to occupants desiring to remain or relocate within the redeveloped Project Area.
5. Providing relocation assistance to displaced residential and nonresidential occupants.
6. The development or redevelopment of land by private enterprise or public agencies for purposes and uses consistent with the objectives of this Redevelopment Plan.

7. The acquisition of real property by purchase, gift, devise or any other lawful means, or by exercising the power of eminent domain on George Air Force Base, where it is deemed necessary after conduct of appropriate public hearings. Except as otherwise provided in Section 502 hereof, VVEDA may not acquire property (other than the Air Base) by the use of the power of eminent domain.
8. The combining of parcels, properties, site preparation and construction of necessary off-site improvements.
9. Providing for open space.
10. Managing of any property acquired by VVEDA.
11. Assisting in providing financing for the construction of residential and commercial buildings to increase the residential and commercial base of the Participating Jurisdictions and surrounding area, and the number of temporary and permanent jobs in the Project Area.
12. The disposition of property including the lease or sale of land at the value determined by VVEDA for reuse in accordance with the Redevelopment Plan.
13. Providing for the retention of controls and the establishment of restrictions or covenants running with the land so that property will continue to be used in accordance with this Redevelopment Plan.
14. Assisting in the provision of financing for the construction of residential, commercial and industrial buildings, as permitted by applicable State and local laws.
15. The closure or vacation of certain streets and the dedication of other areas for public purposes.
16. Providing replacement housing, if any is required.
17. Applying for, receiving and utilizing grants and loans from federal or state governments or any other source.
18. The negotiation of agreements with the United States of America or any agency or department thereof to determine the interim use and disposition of the Air Base property.
19. The negotiation of arrangements with taxing jurisdictions to address any financial burdens or detriments caused to such taxing entities as a result of the adoption of the Redevelopment Plan.

20. Taking any action VVEDA determines as necessary and consistent with state, federal and local laws to make structural repairs to buildings and structures, including historical buildings, to meet building code standards related to seismic safety.

21. Taking any action VVEDA determines as necessary and consistent with state, federal and local laws to remedy or remove a release of hazardous substances on, under or from property within the Project Area or to remove hazardous waste from property.

To accomplish these actions and to implement this Redevelopment Plan, VVEDA is authorized to use all the powers provided in the Redevelopment Plan and all the powers now or hereafter permitted by the Redevelopment Law and any other State law.

B. (502) Property Acquisition

VVEDA's intended purpose as provided for in its Joint Powers Agreement is to plan for the use and reuse of the Air Base and provide for the redevelopment of certain areas in proximity thereto. To accomplish this purpose, it is authorized to acquire the Air Base property (private or governmental ownership) and property within the area on the map attached as Exhibit C, Exhibit C-2, and Exhibit C-3 and represented in the listing of assessor parcel numbers attached as Exhibit C-1 and C-5, Exhibit C-4 provides a legal description of the 2003 Amendment Area eminent domain properties, herein referred to as the 1998 Amendment Area, the Fourth Amendment Eminent Domain Area, and the 2003 Amendment Area respectively, by exercising its redevelopment eminent domain powers.

Prior and as a condition precedent to any exercise of eminent domain power, the Participating Jurisdiction within which the property subject to the eminent domain powers is located, must first take a formal action requesting that VVEDA pursue such eminent domain action and must agree to cover all of the costs and expenses associated therewith. Furthermore, all Implementation Procedures as set forth in VVEDA Resolution No. 98-001 must be followed.

1. (503) Acquisition of Real Property

VVEDA may acquire real property, any interest in property, and any improvements on it by any means authorized by law, including by gift, grant, exchange, purchase, cooperative negotiations, lease or any other means authorized by law, including eminent domain. This Redevelopment Plan, however, does not grant eminent domain authority to VVEDA over any properties within the boundaries of the Eighth Amendment Added Area. VVEDA may exercise the power of eminent domain on only those properties, which constitute the George Air Force Base, the 1998 Amendment Area, portions of the Fourth Amendment Added Area, and the 2003 Amendment Area. **However, VVEDA may not acquire, by eminent domain, any property on which a residential**

structure exists which conforms to applicable zoning and other codes, which is within the following areas within the 1998 Amendment Area:

- The area bounded by Seneca Road to the north, Amethyst Road to the east, Palmdale Road to the south, and Topaz Road to the west.
- The area generally bounded by Anacapa Road to the north, Borrego and La Brisa Roads to the east, Lana and La Brisa Roads to the south, and San Martin and San Mateo Roads to the west.
- Coad Road to the north, Santa Fe Avenue to the east, Terra Linda Road to the south, and Hesperia Road to the west.

This restriction shall not apply to the Fourth Amendment Added Area or the 2003 Amendment Area; VVEDA shall have the power of eminent domain for all properties within the following general boundaries:

- The area bounded by the existing Project Area (former Air Base) to the North, Emerald Road to the east, Air Base Road to the south and Adelanto Road to the west. This area is located in the City of Victorville.
- The area generally bounded by Primrose Avenue, Rancho Avenue and the Air Base to the north, Cobalt and Amethyst Roads to the east, Holly Road to the south, and Adelanto and Emerald Roads to the west. This area is in the City of Adelanto.

In addition, assessor parcel numbers 0472-031-26, 0472-031-27, 0472-031-07, and 0472-011-32, otherwise depicted in the 1998 Amendment Area, shall be exempt from eminent domain.

For those portions of the 2003 Amendment Area which are located in the jurisdictional boundaries of the City of Adelanto or the County unincorporated area, VVEDA may only exercise eminent domain powers on vacant parcels that have not been developed; and VVEDA shall not exercise eminent domain powers on any properties zoned residential. VVEDA shall not exercise eminent domain powers on any parcels of land or properties owned by the City of Adelanto, wherever located.

For those portions of the 2003 Amendment Area which are located in the jurisdictional boundaries of the City of Victorville, VVEDA may only exercise eminent domain powers on vacant parcels that have not been developed.

In the event VVEDA wishes to initiate eminent domain proceedings with respect to property within the 1998 Amendment Area, the Fourth Amendment Eminent Domain Area or the 2003 Amendment Area, the Implementation Procedures, set forth by a duly adopted resolution of the VVEDA Board, must be followed.

Pursuant to Section 33492.40(d), VVEDA has found and determined that imposing a time limit on the use of eminent domain with respect to the Air Base, the 1998 Amendment Area, portions of the Fourth Amendment Added Area, and the 2003 Added Area would make it impractical to achieve the policies of VVEDA with respect to implementation of the Redevelopment Plan.

VVEDA may acquire structures without acquiring the land upon which those structures are located. VVEDA may acquire any interest in real property by non-eminent domain means.

VVEDA shall not acquire real property on which an existing building is to be continued on its present site and in its present form and use without the consent of the owner, unless: (1) such building requires structural alteration, improvement, modernization, or rehabilitation; or (2) the site or lot on which the building is situated requires modification in size, shape, or use; or (3) it is necessary to impose upon such property any of the standard restrictions and controls of the Redevelopment Plan and the owner fails or refuses to participate in the Redevelopment Plan by executing an Owner Participation Agreement.

2. (504) Acquisition of Personal Property

Where necessary in the execution of this Redevelopment Plan, VVEDA is authorized to acquire personal property in the Project Area by any lawful means.

C. (505) Participation by Owners and Tenants

1. (506) Owner and Tenant Participation

VVEDA shall promulgate rules for owner and tenant participation which may be amended from time to time. VVEDA shall extend reasonable preference to persons who are owners or tenants in the Project Area to continue in or re enter the Project Area if they otherwise meet the requirements prescribed by this Redevelopment Plan and VVEDA's rules governing owner participation and re-entry; such rules allow for "Owner Participation Agreements" with VVEDA.

Opportunities to participate may include the rehabilitation of property or structures; the retention of improvements; the development of all or a portion of the participant's property; the acquisition of adjacent properties from VVEDA; purchasing or leasing properties in the Project Area; participating with developers in the redevelopment of all or a portion of a participant's properties; or other suitable means consistent with objectives and proposals of this Redevelopment Plan and of the rules governing owner participation and re-entry.

In addition to opportunities for participation by individual persons and firms, participation to the extent it is feasible shall be available for two or more persons, firms or institutions to join together in partnerships, corporations, or other joint entities.

VVEDA desires participation in redevelopment by as many owners and business tenants as possible. However, participation opportunities shall necessarily be subject to and limited by such factors as the expansion of public facilities; elimination and changing of land uses; realignment of streets; and the ability of VVEDA and/or owners to finance acquisition and development in accordance with this Redevelopment Plan.

In addition, each Participating Jurisdiction may itself offer owner participation opportunities to owners and businesses located in the Project Area and may enter into such agreements pledging tax increment revenues or similar assistance which would otherwise be available for use by such Participating Jurisdiction in accordance with the provision of the Joint Powers Agreement.

2. (507) Preferences for Persons Engaged in Business in the Project Area

VVEDA shall extend reasonable preferences to persons who are engaged in business in the Project Area to re-enter in business within the Project Area if they otherwise meet the requirements prescribed by this Redevelopment Plan.

3. (508) Owner Participation Agreements

Under an Owner Participation Agreement, the participant shall agree to rehabilitate, develop, or use the property in conformance with this Redevelopment Plan and be subject to the provisions hereof. In the agreement, participants who retain real property shall be required to join in the recordation of such documents as are necessary to make the provisions of this Redevelopment Plan applicable to their properties.

In the event a participant breaches the terms of an Owner Participation Agreement, VVEDA may declare the agreement terminated and may acquire the real property or any interest therein "...in order to sell, lease, sublease, or transfer such real property to insure its redevelopment in accordance with this Redevelopment Plan. In the event of such termination and acquisition, or if owners fail or refuse to enter into a binding agreement for participation in accordance with the rules adopted by VVEDA pursuant to this Section 508, VVEDA shall, as an alternative 'official redevelopment plan' for the redevelopment of the Project Area, consider proposals from one or more potential developers of the property, and make every effort to negotiate the disposition and development of such property pursuant to Sections 525 et seq., of this Plan."

Where VVEDA determines that a proposal for participation is not feasible, is not in the best interests of VVEDA or Participating Jurisdiction, or the redevelopment can best be accomplished without affording an owner or tenant an opportunity to execute an Owner Participation Agreement, VVEDA shall not be required to execute such an agreement with that owner or tenant.

Owner Participation Agreements will be effective only if approved by the Participating Jurisdiction within whose territory the subject property is located.

D. (509) Certificates of Conformance

VVEDA is authorized to make determinations of those properties which conform to this Redevelopment Plan. If such a determination is made by VVEDA, VVEDA may issue a Certificate of Conformance to qualifying properties. Such properties will not be subject to acquisition by eminent domain under this Redevelopment Plan so long as the properties continue to conform to this Redevelopment Plan and to such further terms and conditions as VVEDA may require. The issuance of a Certificate of Conformance may impose conditions as necessary or appropriate to carry out this Redevelopment Plan.

E. (510) Cooperation with Public Bodies

Section 33492.40 of the Redevelopment Law and the Joint Powers Agreement sets forth parameters for cooperation among VVEDA's Participating Jurisdictions. The Law empowers VVEDA to act as both the legislative body and planning commission for the approvals and actions necessary for the adoption of the Project Area; however, all land use and planning decisions with regard to land within the Project Area shall remain and continue under the individual control and jurisdiction of each of VVEDA's Participating Jurisdictions' legislative bodies and planning commissions.

Certain public bodies are authorized by State law to aid and cooperate, with or without consideration, in the planning and implementation activities authorized by this Redevelopment Plan. VVEDA shall seek the aid and cooperation of such public bodies and shall attempt to coordinate Redevelopment Plan implementation activities with the activities of such public bodies in order to accomplish the purposes of redevelopment and the highest public good.

VVEDA shall at all times adhere to the requirements set forth in VVEDA's Joint Powers Agreement as amended from time to time, mandating prior consultation and approval by the legislative body of the Participating Jurisdiction of any project or activity to be located within the territory of a Participating Jurisdiction.

VVEDA, by law, is not authorized to acquire real property owned by public bodies without consent of such public bodies. VVEDA, however, shall seek the cooperation of any affected public bodies which own or intend to acquire property in the Project Area.

VVEDA, upon prior approval of the applicable Participating Jurisdiction, may impose on all public bodies the planning and design controls contained in and authorized by this Redevelopment Plan to ensure that present uses and any future development by public bodies will conform to the requirements of this Redevelopment Plan. VVEDA is authorized to assist the public entity in the cost of public land, buildings, facilities, structures or other improvements (within or outside the Project Area) which

land, buildings, facilities, structures or other improvements are of benefit to the Project Area.

F. (511) Property Management

During such time as property, if any, in the Project Area is owned by VVEDA, such property shall be under the management and control of VVEDA. Such property may be rented or leased by VVEDA pending its final disposition for redevelopment.

G. (512) Payments to Taxing Agencies to Alleviate Financial Burden

With respect to the original Project Area, VVEDA may in any year during which it owns property in a redevelopment project pay directly to any city, county, city and county, district, including but not limited to, a school district, or other public corporation for whose benefit a tax would have been levied upon the property had it not been exempt, an amount of money in lieu of taxes.

A proportionate share of any amount of money paid by VVEDA to any city and county pursuant to Redevelopment Law shall be disbursed by the city and county to any school district with territory located within a redevelopment project area in the city and county. "Proportionate share", as used in this section, means the ratio of the school district tax rate, which is included in the total tax rate of the city and county, to the total tax rate of the city and county.

With regard to the 1993 Project Area, but not the Fourth and Eighth Amendment Added Areas, VVEDA may also pay to any taxing agency with territory located within a project area other than the community which has adopted the project, any amounts of money which VVEDA has found are necessary and appropriate to alleviate any financial burden or detriment caused to any taxing agency by the redevelopment project. The payments to a taxing agency in any single year shall not exceed the amount of property tax revenues which would have been received by that taxing agency if all the property tax revenues from the project or had been allocated to all the affected taxing agencies without regard to the division of taxes required by Section 33670 of the Redevelopment Law, except that a greater payment may be established by agreement between VVEDA and one or more taxing agencies, except a school district, if the other taxing agencies agree to defer payments for one or more years in order to accomplish the purposes of the project at an earlier time than would otherwise be the case. The amount of any greater payment shall not exceed the amount of payment deferred. The payments shall be approved by a resolution adopted by VVEDA, which shall contain a finding, supported by substantial evidence, that the redevelopment project will cause or has caused a financial burden or detriment to the taxing agency and that the payments are necessary to alleviate the financial burden or detriment.

With regard to the Fourth Amendment Added Area and the Eighth Amendment Added Area, but not the 1993 Project Area, to the extent required by State Law, VVEDA shall remit payment to affected taxing agencies in a manner consistent with

Section 33607.5, Section 33676(b), and any other pertinent and applicable sections of the Redevelopment Law.

All such amounts shall be calculated after the amount required to be deposited in the Low and Moderate Income Housing Fund has been deducted from the total amount of tax increment funds received by VVEDA in the applicable fiscal year. Such payments shall be reduced in accordance with the provisions of Section 33607.5 of the Redevelopment Law or any other applicable statute. With respect to the Fourth Amendment Added Area and the Eighth Amendment Added Area, such payments shall be the exclusive payments that are required to be made by VVEDA to affected taxing entities for the duration of this Plan. Such payments may be subordinated to loans, bonds, or other VVEDA indebtedness as provided by the Redevelopment Law.

H. (513) Relocation of Persons Displaced by a Redevelopment Project

1. (514) Relocation Program

In accordance with the provisions of the California Relocation Assistance Act (Government Code Section 7260 et seq.), the guidelines adopted and promulgated by the California Department of Housing and Community Development (the "Relocation Guidelines") and the Method of Relocation, Procedures and Guidelines adopted by VVEDA, VVEDA shall provide relocation benefits and assistance to all persons (including families, business concerns and others) displaced by VVEDA's acquisition of property in the Project Area. Such relocation assistance shall be provided in the manner required by the Method of Relocation. In order to carry out a redevelopment project with a minimum of hardship, VVEDA will assist displaced households in finding decent, safe and sanitary housing within their financial means and otherwise suitable to their needs. VVEDA shall make a reasonable effort to relocate displaced individuals, families, and commercial and industrial establishments within the Project Area. VVEDA is also authorized to provide relocation for displaced persons outside the Project Area.

2. (515) Relocation Benefits and Assistance

VVEDA shall provide all relocation benefits required by law and in conformance with the Relocation Guidelines, Relocation Assistance Act, and the Redevelopment Law.

I. (516) Demolition, Clearance, Public Improvements and Site Preparation

1. (517) Demolition and Clearance

VVEDA's intended purpose as provided for in its Joint Powers Agreement is to plan for the use and reuse of the Air Base and to acquire, own, maintain and operate it as a civil aviation facility. In the conduct of VVEDA's acquisition, operation and maintenance of the Air Base, it is anticipated that, and VVEDA is

hereby authorized to, demolish, clear or move buildings, structures and other improvements now existing on the facility.

VVEDA is also authorized, for other property acquired by VVEDA or with the approval of the owner thereof, to demolish, clear or move buildings, structures, and other improvements from any real property in the Project Area as necessary to carry out the purposes of this Redevelopment Plan.

2. (518) Public Improvements

It is VVEDA's intent to pursue the successful use and reuse of the Air Base. VVEDA is therefore authorized to install and construct or cause to be installed and constructed, public improvements and public utilities on the Air Base as VVEDA deems necessary.

To the extent permitted by law, VVEDA is also authorized to install and construct or to cause to be installed and constructed, the public improvements and public utilities (within or outside the Project Area) necessary to carry out the purposes of this Redevelopment Plan. Such public improvements include, but are not limited to, over or underpasses, bridges, streets, curbs, gutters, sidewalks, street lights, sewers, storm drains, traffic signals, electrical distribution systems, natural gas distribution systems, cable TV systems, water distribution systems, parks, plazas, playgrounds, motor vehicle parking facilities, landscaped areas, schools, civic, cultural, recreational facilities and pedestrian improvements. A listing of presently identified redevelopment projects is set forth in Exhibit D.

VVEDA, with the prior consent of the applicable Participating Jurisdiction, may pay all or part of the value of the land for and the cost of the installation and construction of any building, facility, or other improvements which are publicly owned either within or outside the Project Area upon a determination by resolution of VVEDA Board: (1) that such buildings, facilities, structures and other improvements are of benefit to the Project Area or the immediate neighborhood in which the Project Area is located; (2) that no other reasonable means of financing such buildings, facilities, structures or other improvements are available to the Participating Jurisdiction within whose territory such improvements will be located.

When the value of such land or the cost of the installation and construction of such building, facility or other improvement, or both, has been, or will be, paid or provided for initially by the community or other public corporation, VVEDA may enter into a contract with the Participating Jurisdiction or other public corporation under which it agrees to reimburse the Participating Jurisdiction or other public corporation for all or part of the value of such land or all or part of the cost of such building, facility or other improvements, or both, by periodic payments over a period of years. Any obligation of VVEDA under such contract shall constitute an indebtedness of VVEDA for the purposes of carrying out this Redevelopment Plan.

3. (519) Preparation of Building Sites

VVEDA may develop as a building site any real property owned or acquired by it. In connection with such development it may cause, provide, undertake or make provisions with other agencies for the installation, or construction of parking facilities, streets, utilities, parks, playgrounds and other public improvements necessary for carrying out this Redevelopment Plan in the Project Area.

4. (520) Removal of Hazardous Waste

VVEDA may, by following all applicable procedures provided by law, within the Project Area, take any actions which VVEDA determines are necessary and which are consistent with other state and federal laws to remedy or remove a release of hazardous substances on, under, or from property within the Project Area or to remove hazardous waste from property.

5. (521) Seismic Repairs

For any project undertaken by VVEDA within the Project Area for building rehabilitation or alteration and construction, VVEDA may, by following all applicable procedures then provided by law, take those actions which VVEDA determines are necessary and which are consistent with local, state, and federal law, to provide for seismic retrofits.

J. (522) Rehabilitation and Moving of Structures by VVEDA

1. (523) Rehabilitation and Conservation

VVEDA is authorized to rehabilitate and conserve, or to cause to be rehabilitated and conserved, any building or structure in the Project Area owned by VVEDA. VVEDA is also authorized to advise, encourage and assist (through a loan program or otherwise) in the rehabilitation and conservation of property in the Project Area not owned by VVEDA. VVEDA is also authorized to acquire, restore, rehabilitate, move and conserve buildings of historic or architectural significance.

It shall be the purpose of this Redevelopment Plan to allow for the retention of as many existing businesses as practicable and to add to the economic life of these businesses by a program of voluntary participation in their conservation and rehabilitation. VVEDA is authorized to conduct a program of assistance and enforcement to encourage owners of property within the Project Area to upgrade and maintain their property consistent with this Redevelopment Plan and such standards as may be developed for the Project Area.

The extent of rehabilitation in the Project Area shall be subject to the following limitations:

- a. The rehabilitation must be compatible with land uses as provided for in this Redevelopment Plan.
- b. Rehabilitation and conservation activities must be carried out in an expeditious manner and in conformance with the requirements of this Redevelopment Plan and such property rehabilitation standards as may be adopted by VVEDA and upon the approval of the Participating Jurisdictions.
- c. The expansion of public improvements, facilities and utilities.
- d. The assembly and development of properties in accordance with this Redevelopment Plan.

With approval of the affected Participating Jurisdictions' legislative bodies, VVEDA may adopt property rehabilitation standards for the rehabilitation of properties in the Project Area.

VVEDA shall not assist in the rehabilitation or conservation of properties which, in its opinion, are not economically and/or structurally feasible.

2. (524) Moving of Structures

As necessary in carrying out this Redevelopment Plan, VVEDA is authorized to move, or to cause to be moved, any standard structure or building which can be rehabilitated to a location within or outside the Project Area.

K. (525) Property Disposition and Development

1. (526) Real Property Disposition and Development

a. (527) Acquisition and Disposition of the Air Force Base Property

VVEDA, as an empowered Joint Powers Authority, and acting as a legislative body, intends to acquire and dispose of all or portions of the Air Base property utilizing the powers granted to VVEDA pursuant to the Joint Powers Agreement, as amended.

b. (528) General

For the purposes of this Redevelopment Plan, VVEDA is authorized to sell, lease, exchange, subdivide, transfer, assign, pledge, encumber by mortgage or deed of trust, or otherwise dispose of any interest in real property. To the extent permitted by law, VVEDA is authorized to dispose of real property by negotiated lease or sale without public bidding. Before any interest in real property of VVEDA acquired in whole or in part, directly or indirectly with tax increment moneys is sold, leased, or otherwise disposed of for development

pursuant to this Redevelopment Plan, such sale, lease or disposition shall be first approved by VVEDA Board after public hearing.

Except as permitted by law, no real or personal property owned by VVEDA, or any interest therein, shall be sold or leased to a private person or private entity for an amount less than its fair market value, unless VVEDA determines that such lesser consideration is necessary to effectuate the purposes of the Redevelopment Plan.

The real property acquired by VVEDA in the Project Area, except property conveyed to it by its Participating Jurisdictions, shall be sold or leased to public or private persons or entities for redevelopment and use of the property in conformance with this Redevelopment Plan. Real property may be conveyed by VVEDA to the Participating Jurisdictions and, where beneficial to the Project Area, to any other public body without charge or for amount less than fair market value.

All purchasers or lessees of property shall be obligated to use the property for the purposes designated in this Redevelopment Plan, to begin and complete redevelopment of such property within a period of time which VVEDA fixes as reasonable, and to comply with other conditions which VVEDA deems necessary to carry out the purposes of this Redevelopment Plan.

During the period of development in the Project Area, VVEDA shall insure that all provisions of this Redevelopment Plan and other documents formulated pursuant to this Redevelopment Plan are being observed, and that development of the Project Area is proceeding in accordance with applicable development documents and time schedules.

All development, whether public or private, must conform, to this Redevelopment Plan and all applicable federal, state, and local laws, including without limitation the Participating Jurisdictions' planning and zoning ordinances, building, environmental and other land use development standards; and must receive the approval of all appropriate public agencies.

c. (529) Purchase and Development Documents

To provide adequate safeguards to ensure that the provisions of this Redevelopment Plan will be carried out and to prevent the recurrence of blight, all real property sold, leased, or conveyed by VVEDA as well as all property subject to Owner Participation Agreements, shall be made subject to the provisions of this Redevelopment Plan by leases, deeds, contracts, agreements, declarations of restrictions, provisions of the planning and zoning ordinances of the Participating Jurisdiction, conditional use permits, or other means. Where appropriate, as determined by VVEDA such documents or portions thereof shall be recorded in the office of the Recorder of the County.

Prior to VVEDA undertaking a development project or entering into any real property lease, acquisition or disposition, VVEDA shall request and must receive prior approval of the Participating Jurisdiction's legislative body in which a project, property or sale is located.

Each Participating Jurisdiction may enter into agreement for the lease, sale or redevelopment of land within such Participating Jurisdiction territory provided, however, that the pledge of any VVEDA tax increment assistance shall be limited to a pledge of unencumbered tax increment revenues attributable to such Participating Jurisdiction's territory which are not otherwise pledged for the reuse of the former George Air Force Base in accordance with the provisions of the Joint Powers Agreement and provided further that the Participating Jurisdiction agrees to indemnify and hold VVEDA harmless in connection therewith.

The implementation of any project shall be subject to ordinary and customary development conditions and criteria, exactions and imposition of mitigation measures as may be determined in the sole discretion of the Participating Jurisdiction's Planning Commission, City Council or Board of Supervisors, as appropriate, and any other advisory boards of the Participating Jurisdiction within whose territory such project is proposed to be located.

Leases, deeds, contracts, agreements, and declarations of restrictions of VVEDA may contain restrictions, covenants, covenants running with land, rights of reverter, conditions subsequent, equitable servitudes, or any other provisions necessary to carry out this Redevelopment Plan.

VVEDA shall reserve such powers and controls in Disposition and Development Agreements or similar agreements as may be necessary to prevent transfer, retention, or use of property for speculative purposes and to ensure that redevelopment is carried out pursuant to this Redevelopment Plan.

All property in the Project Area is hereby subject to the restriction that there shall be no discrimination or segregation based upon race, color, creed, religion, national origin, ancestry, sex, or marital status in the sale, lease, sublease, transfer, use occupancy, tenure or enjoyment of property in the Project Area. All property sold, leased, conveyed, or subject to Disposition and Development Agreements shall be expressly subject by appropriate documents to the restriction that all deeds, leases, or contracts for the sale, lease, sublease or other transfer of land in the Project Area shall contain such nondiscrimination and nonsegregation clauses as are required by law including the nondiscrimination clauses prescribed in Health and Safety Code Section 33436.

d. (530) Development of Publicly Owned Improvements

To the extent now or hereafter permitted by law, VVEDA, with the formal consent of the Participating Jurisdiction within whose territory such improvements are to be located, is authorized to pay for, develop, or construct any building, facility, structure, or other improvement either within or outside the Project Area for itself or for any public body or entity to the extent that such improvement would be of benefit to the Project Area.

VVEDA is authorized to assist any public entity in financing the cost of public land, buildings, facilities, structures or other improvements (within or outside the Project Area to the extent permitted by law).

2. (531) Personal Property Disposition

For the purposes of this Redevelopment Plan, VVEDA is authorized to sell, lease, exchange, transfer, assign, pledge, encumber, or otherwise dispose of personal property which is acquired by VVEDA.

L. (532) Provision for Low and Moderate Income Housing

1. (533) Definition of Terms

The terms "affordable housing cost", "replacement dwelling unit", "persons and families of low or moderate income" and "very low income household" as used herein shall have the meanings as defined by the Redevelopment Law and other State and local laws and regulations pertaining thereto.

2. (534) Authority Generally

VVEDA may, inside or outside the Project Area, acquire land, donate land, improve sites, or construct or rehabilitate structures in order to provide housing for persons and families of low or moderate income.

3. (535) Replacement Housing

Whenever dwelling units housing persons and families of low or moderate income, as defined by the Redevelopment Law, are destroyed or removed from the low and moderate income housing market as part of a redevelopment project, VVEDA shall, within four years of such destruction or removal, rehabilitate, develop or construct or cause to be rehabilitated, developed or constructed, for rental or sale to persons and families of low or moderate income, an equal number of replacement dwelling units at affordable housing costs within the territorial jurisdiction of VVEDA's Participating Jurisdictions. Seventy-five percent (75%) of the replacement dwelling units shall replace dwelling units available at affordable housing cost in the same income level of very low income households, low income households, lower income households, and persons and families of low and moderate income as the persons displaced from those destroyed or removed units. VVEDA may replace destroyed or removed dwelling units housing persons and families of low or moderate income with a fewer number of

dwelling units if the units have a greater or equal number of bedrooms and are available to the same low and moderate income groups.

4. (536) New or Rehabilitated Dwelling Units Developed Within the Project Area

Pursuant to Section 33413 of the Redevelopment Law, at least thirty percent (30%) of all new or rehabilitated dwelling units developed within the Project Area by VVEDA shall be available at affordable housing costs to persons and families of low or moderate income; of such thirty percent (30%), not less than fifty percent (50%) thereof shall be available to and occupied by very low income households. At least fifteen percent (15%) of all new or rehabilitated units developed within the Project Area by public or private entities or persons other than VVEDA shall be available at affordable housing costs to persons and families of low or moderate income; and of such fifteen percent (15%), not less than forty percent (40%) thereof shall be for very low income households. The percentage requirements set forth in this Section shall apply independently of the requirements of Section 535 and in the aggregate to the supply of housing to be made available pursuant of this Section and not to each individual case of rehabilitation, development or construction of dwelling units.

VVEDA shall require, by contract or other appropriate means, that whenever any low and moderate income housing units are developed within the Project Area, such units shall be made available on a priority basis for rent or purchase whichever the case may be, to persons and families of low and moderate income displaced by a redevelopment project; provided, however, that failure to give such priority shall not affect the validity of title to the real property upon which such housing units have been developed.

VVEDA shall use any activity allowed by law to meet housing requirements.

5. (537) Duration of Dwelling Units Availability

VVEDA shall require that the aggregate number of dwelling units rehabilitated, developed or constructed pursuant to Sections 535 and 536 of this Redevelopment Plan shall remain available for persons and families of low and moderate income and very low income households, respectively, for not less than the period set forth in Section 1000 of this Redevelopment Plan for the duration of this Redevelopment Plan.

6. (538) Relocation Housing

If insufficient suitable housing units are available in the Project Area for use by persons and families of low and moderate income displaced by a redevelopment project, VVEDA may, to the extent of that deficiency, direct or cause the development, rehabilitation or construction of housing units within the territory encompassed by VVEDA's Participating Jurisdictions, both inside and outside the Project Area.

7. (539) Deferral of Housing Funds

"Pursuant to Section 33492.40(e)(2) of the Redevelopment Law, VVEDA has determined that it is necessary to defer the deposit of the twenty percent (20%) of taxes allocated to VVEDA pursuant to Section 33670 of the Redevelopment Law into the Low- and Moderate-Income Housing Funds as required by Section 33334.2. VVEDA has found that:

- a. The Air Base cannot be developed solely by private enterprise without the assistance of VVEDA;
- b. There are no feasible alternative means of financing the development of the Air Base other than by utilizing the low- and moderate-income housing portion of the taxes which are allocated to VVEDA pursuant to subdivision (b) of Section 33670;
- c. Failure of VVEDA to finance the development of the Air Base would lead to serious economic hardship and job loss; and
- d. Each Member of VVEDA may elect to defer the deposit of low- and moderate-income housing funds attributable to each Member for a period not to exceed five (5) fiscal years beginning with the fiscal year in which the first deferment is made in order to use such funds to facilitate the expeditious funding of much needed infrastructure projects and other general redevelopment activities. The deferment shall be subordinate to any obligation of a Member payable from low- and moderate-income housing funds incurred prior to June 8, 2005, or incurred on or after June 8, 2005. The repayment of any such low and moderate income housing moneys so deferred shall be made by July 12, 2045, commencing in the fiscal year immediately following the fiscal year in which the last deferment is made. Repayment will be made in semi-annual installments having substantially level annual debt service with interest accruing from the first fiscal year of the repayment period and continuing until repayment in full. The interest rate shall be equal to the average rate of return on investments of the applicable Member during the deferment period. Each Member of VVEDA shall be responsible for repayment of deferred amounts from non-housing tax increment revenue attributable to its portion of the Project Area. Such repayment obligation shall be subordinate to any obligation of a Member payable from non-housing tax increment revenue existing as of June 8, 2005 or incurred on or after June 8, 2005.

8. (540) Increased and Improved Supply

Pursuant to Section 33492.40(e) and 33334.2 of the Redevelopment Law, not less than twenty percent (20%) of all taxes which are received by VVEDA pursuant to subdivision (b) of Section 33670 of the Redevelopment Law and this

Redevelopment Plan shall be allocated and used by VVEDA for the purposes of increasing, improving and preserving the supply of low and moderate income housing available within the territories of the Participating Jurisdictions at affordable housing costs, as defined by Section 50052.5 of the Health and Safety Code, to persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, and very low income households, as defined in Section 50105 of the Health and Safety Code, unless one or more of the following findings are made annually by resolution: (1) that no need exists in the Participating Jurisdictions to improve or increase the supply of low and moderate income housing in a manner which would benefit the Project Area and this finding is consistent within the housing element of the Participating Jurisdictions' General Plans; or (2) that some stated percentage less than twenty percent (20%) of the taxes which are allocated to VVEDA pursuant to subdivision (b) to Section 33670 is sufficient to meet such housing need of the community and that this finding is consistent with the housing elements of the Participating Jurisdictions' General Plans; or (3) that the Participating Jurisdictions are making a substantial effort to meet their existing and projected low and moderate income housing needs, particularly very low income housing needs, including its share of the regional needs as identified in the housing elements of the Participating Jurisdictions' General Plans and that this effort, consisting of direct financial contributions of local funds, is used to increase, improve and preserve the supply of housing affordable to families of low to moderate income and very low income households and is equivalent to in impact to the funds otherwise required to be set aside pursuant to Section 33334.2 of the Redevelopment Law.

In implementing this Section 540 of this Redevelopment Plan, VVEDA may exercise any or all of its powers including, but not limited to, the following:

1. Acquire real property or building sites.
2. Improve real property or building sites with onsite or offsite improvements, but only if either (a) the improvements are made as part of a program which results in the new construction or rehabilitation of affordable housing units for low or moderate income persons that are directly benefited by the improvements; or (b) VVEDA finds that the improvements are necessary to eliminate a specific condition that jeopardizes the health or safety of existing low or moderate income residents.
3. Donate real property to private or public persons or entities.
4. Finance insurance premiums.
5. Construct buildings or structures.
6. Acquire buildings or structures.
7. Rehabilitate buildings or structures.

8. Provide subsidies to, or for the benefit of, very low income households, as defined by Section 50105 of the California Health and Safety Code, lower income households, as defined by Section 50079.5 of the California Health and Safety Code, or persons and families of low or moderate income, as defined by Section 50093 of the California Health and Safety Code, to the extent those households cannot obtain housing at affordable costs on the open market. Housing units available on the open market are those units developed without direct government subsidies.
9. Develop plans, pay principal and interest on bonds loans, advances, or other indebtedness or pay financing or carrying charges.
10. Maintain the Participating Jurisdictions' supply of mobilehomes.
11. Preserve the availability to lower income households of affordable housing units in housing developments which are assisted or subsidized by public entities and which are threatened with imminent conversion to market rates.
12. VVEDA may use these funds to meet, in whole or in part, the replacement housing provisions in Section 535 above. These funds may be used inside or outside the Project Area; provided, however, that funds may be used outside the Project Area only if findings of benefit to the Project Area are made as required by Section 33334.2 of the Redevelopment Law.
13. VVEDA may only expend these funds with prior formal consent of the Participating Jurisdictions within whose territory such projects or programs are to be located.

The funds for this purpose shall be held in a separate Low and Moderate Income Housing Fund until used. Any interest earned by such Low and Moderate Income Housing Fund shall accrue to the Fund.

Any reduced income resulting from the below-market rate sale or lease, grant, or donation of land to private for-profit and nonprofit organizations may be debited to VVEDA's Low and Moderate Income Housing Fund. The amount of any debit shall not be subject to any transfer required by law for failure to expend or encumber the moneys held in a Low and Moderate Income Housing Fund.

9. (541) Duration of Affordability

Except as otherwise permitted by law, all new or substantially rehabilitated housing units developed or otherwise assisted with moneys from the Low and Moderate Income Housing Fund pursuant to an agreement approved by VVEDA shall be required to remain available at affordable housing cost to persons and families of low or moderate income and very low income households for the longest feasible time, but for not less than the following periods of time:

- a. Fifty-five years for rental units. However, VVEDA may replace rental units with equally affordable and comparable rental units in another location within the Project Area if (A) the replacement units are available for occupancy prior to the displacement of any persons and families of low or moderate income residing in the units to be replaced and (B) the comparable replacement units are not developed with moneys from the Low and Moderate Income Housing Fund.
- b. Forty-five years for owner-occupied units. However, VVEDA may permit sales of owner-occupied units prior to the expiration of the 45-year period for a price in excess of that otherwise permitted under this subdivision pursuant to an adopted program which protects VVEDA's investment of moneys from the Low and Moderate Income Housing Fund.

VVEDA shall require the recording of covenants or restrictions which implement this Section for each parcel or unit of real property developed assisted or substantially rehabilitated with moneys from the Low and Moderate Income Housing Fund.

SECTION VI. (600) USES PERMITTED IN THE PROJECT AREA

A. (601) Map and Uses Permitted

The Maps attached hereto as Exhibit A, Exhibit A-1, and Exhibit A-2 and incorporated herein illustrate the location of the Project Area boundaries, the immediately adjacent streets, and existing public rights-of-way and public easements. The land uses permitted by this Redevelopment Plan shall be those permitted by the applicable General Plans of VVEDA's Participating Jurisdictions, as they now exist or may hereafter be amended.

B. (602) Land Uses

The major categories of land uses permitted in the Project Area are as follows: aviation, commercial, residential, industrial, office, agriculture, military, institutional uses, quasi-public and open space.

C. (603) Public Uses

Other land uses in the Project Area include streets, rights-of-way and easements, and other public and open space uses described as follows:

1. (604) Public Street Layout, Rights-of-Way and Easements

The street system in the Project Area shall be developed in accordance with the Circulation Element of the General Plans of the Participating Jurisdictions. Important circulation systems which service the Project Area include the Interstate 15, State Routes 395 and 18. Other major east/west roads are Air

Base Road, Palmdale Road and La Mesa Road. Major north/south roads include the National Trails Highway, Mariposa Road and Stoddard Wells Road.

Certain streets and rights-of-way may be widened, altered, abandoned, vacated, or closed by VVEDA and Participating Jurisdictions as necessary for proper development of the Project Area. Additional public streets, alleys and easements may be created by VVEDA and Participating Jurisdictions in the Project Area as needed for proper development and circulation. As required by Health and Safety Code Section 33492.40(b), all land planning, including right-of-way planning, shall be regulated by the Participating Jurisdictions.

The public rights-of-way shall be used for vehicular and/or pedestrian traffic as well as for public improvements, public and private utilities, and activities typically found in public rights-of-way. In addition, all necessary easements for public uses, public facilities and public utilities may be retained or created.

2. (605) Other Public and Open Space Uses

Both within and where appropriate outside of the Project Area, VVEDA is authorized to permit, establish or enlarge public, institutional or non-profit uses, including airports, schools, community center, auditorium and civic center facilities, criminal justice facilities, park and recreational facilities, parking facilities, transit facilities, libraries, hospitals and educational, fraternal, philanthropic and charitable institutions or other similar associations or organizations. All such uses shall be deemed to conform to the provisions of this Redevelopment Plan provided that such uses conform with all other applicable laws and ordinances and that such uses are approved by the Participating Jurisdiction within whose territory such uses are to be located. Upon formal consent of the Participating Jurisdiction within whose territory such restrictions are to apply, VVEDA may impose such other reasonable restrictions as are necessary to protect development and uses in the Project Area.

D. (606) Conforming Properties

VVEDA may, upon formal consent of the Participating Jurisdiction within whose territory such property is located, determine that certain real properties within the Project Area meet the requirements of this Redevelopment Plan, and the owners of such properties may be permitted to remain as owners of conforming properties without an Owner Participation Agreement with VVEDA, provided such owners continue to operate, use and maintain the real properties within the requirements of this Redevelopment Plan. A Certificate of Conformance to this effect may be used by VVEDA and be recorded. An owner of a conforming property may be required by VVEDA to enter into an Owner Participation Agreement with VVEDA in the event that such owner desires to: (1) construct any additional improvements or substantially alter or modify existing structures on any of the real property described above as conforming; or (2) acquire additional property within the Project Area.

E. (607) Nonconforming Uses

VVEDA is authorized but not required to permit an existing use to remain in an existing building in good condition if the use does not conform to the provisions of this Redevelopment Plan, provided that such use is generally compatible with existing and proposed developments and uses in the Project Area.

Upon formal consent of the Participating Jurisdiction within whose territory a subject property is located, VVEDA may authorize additions, alterations, repairs or other improvements in the Project Area for uses which do not conform to the provisions of this Redevelopment Plan where such improvements are within a portion of the Project Area where, and in the determination of VVEDA, such improvements would be compatible with surrounding Project Area uses and development.

F. (608) Interim Uses

Pending the ultimate development of land by developers and participants, VVEDA is authorized to use or permit the use of any land in the Project Area for interim uses not in conformity with the uses permitted in this Redevelopment Plan. Such interim use shall conform to all applicable codes of the Participating Jurisdiction within whose territory such use is located.

G. (609) General Controls and Limitations

All real property in the Project Area is hereby made subject to the controls and requirements of this Redevelopment Plan. No real property shall be developed, redeveloped, rehabilitated or otherwise changed after the date of the adoption of the Redevelopment Plan except in conformance with the provisions of this Redevelopment Plan and all applicable codes and ordinances of the Participating Jurisdiction within whose territory such property is located. The land use controls of this Redevelopment Plan shall apply for a period of thirty (30) years. The type, size, height, number and use of buildings within the Project Area will be controlled by the applicable planning and zoning ordinances of the Participating Jurisdictions (as required by Health and Safety Code Section 33492.40(b)) as they now exist or may hereafter be amended from time to time.

1. (610) New Construction

All construction in the Project Area shall comply with all applicable State and local laws in effect from time to time. In addition to applicable codes, ordinances or other requirements governing development in the Project Area, but pursuant to Health and Safety Code Section 33492.40(b), with prior formal consent of the Participating Jurisdiction within whose territory such standards shall apply, additional specific performance and development standards may be adopted by VVEDA to control and direct redevelopment activities in the Project Area.

2. (611) Rehabilitation

Any existing structures within the Project Area which VVEDA shall approve for retention and rehabilitation shall be repaired, altered, reconstructed or rehabilitated in such a manner that it will meet the following requirements: be safe and sound in all physical respects; be attractive in appearance; and not detrimental to the surrounding uses.

3. (612) Number of Buildings and Dwelling Units

Pursuant to Health and Safety Code Section 33492.40(b), all planning and development decisions with regard to land within the Project Area shall continue to be under the control of the Participating Jurisdictions and, as such, the total number of buildings in the Project Area shall be regulated by the General Plans and Zoning Ordinances of VVEDA's Participating Jurisdictions. The 1993 Project Area currently includes approximately 20,000 dwelling units¹. The Fourth Amendment Added Area currently includes about 110 dwelling units (this count is an approximate number). The Eighth Amendment Added Area currently includes approximately 9,341 dwelling units.

4. (613) Open Space and Landscaping

The approximate amount of open space to be provided in the Project Area will continue to be under the control of the Participating Jurisdictions, and as such is the total of all areas so designated in the Land Use Element of the General Plans of the Participating Jurisdictions and those areas in the public rights-of-way or provided through site coverage limitations on new development as established by the Participating Jurisdictions and this Redevelopment Plan. Landscaping shall be developed in the Project Area to ensure optimum use of living plant material in conformance with the standards of the Participating Jurisdictions.

5. (614) Limitations on Type, Size and Height of Buildings

This Redevelopment Plan's standards for building intensities will be those of VVEDA's applicable Participating Jurisdictions in that Health and Safety Code Section 33492.40(b) requires that development decisions be controlled by the Participating Jurisdictions. As such, the limits on building intensity, type, size and height shall be established in accordance with the provisions of the General Plans and the Zoning Ordinances of the Participating Jurisdictions of VVEDA as they now exist or are hereafter amended.

6. (615) Signs

All signs shall conform to the requirements of the Participating Jurisdiction within whose territory such sign is proposed to be located. Design of all proposed new

¹ Urban Futures, Inc. (Dwelling count represents an approximate number only.)

signs shall be submitted prior to installation to the applicable Participating Jurisdiction and/or VVEDA for review and approval pursuant to the procedures permitted by this Redevelopment Plan. New signs must contribute to a reduction in sign blight.

7. (616) Utilities

VVEDA shall encourage that all utilities be placed underground whenever physically possible and economically feasible.

8. (617) Incompatible Uses

No use or structure which is by reason of appearance, traffic, smoke, glare, noise, odor or similar factors incompatible with the surrounding areas or structures shall be permitted in any part of the Project Area, except as permitted by the governing bodies of the Participating Jurisdictions.

9. (618) Nondiscrimination and Nonsegregation

There shall be no discrimination or segregation based upon race, color, sex, marital status, religion, national origin or ancestry permitted in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of property in the Project Area.

10. (619) Subdivision of Parcels

No parcels in the Project Area, including any parcel retained by a participant, shall be consolidated, subdivided or re-subdivided without the approval of the appropriate governing body of the Participating Jurisdiction within whose territory the subject parcel is located, and, if necessary for purposes of this Redevelopment Plan, by VVEDA.

11. (620) Minor Variations

VVEDA is authorized to permit minor variations from the limits, restrictions and controls established by this Redevelopment Plan. In order to permit any such variation, VVEDA must determine that:

- a. The application of certain provisions of this Redevelopment Plan would result in practical difficulties or unnecessary hardships inconsistent with the general purposes and intent of this Redevelopment Plan.
- b. There are exceptional circumstances or conditions applicable to the property or to the intended development of the property which do not apply generally to other properties having the same standards, restrictions and controls.

- c. Permitting a variation will not be materially detrimental to the public welfare or injurious to property or improvements in the area.
- d. Permitting a variation will not be contrary to the objectives of this Redevelopment Plan.

No such variation shall be granted which permits other than a minor departure from the provisions of this Redevelopment Plan. In permitting any such variation, VVEDA shall impose such conditions as are necessary to protect the public health, safety or welfare and to assure compliance with the purposes of this Redevelopment Plan. Any such variation permitted by VVEDA hereunder shall not supersede any other approval required under the codes and ordinances of the Participating Jurisdictions within whose territory such property is located.

H. (621) Design for Development

With formal consent of the Participating Jurisdiction within whose territory the subject property is located and within the limits, restrictions and controls established in this Redevelopment Plan, and subject to the provisions of Sections 601 and 609, herein, VVEDA is authorized to establish heights of buildings, land coverage, setback requirements, design criteria, traffic circulation, traffic access and other development and design controls necessary for proper development of both private and public areas within the Project Area.

In the case of property which is the subject of a Disposition and Development Agreement or an Owner Participation Agreement with VVEDA, such property shall be developed in accordance with the provisions of such Agreement. One of the objectives of this Redevelopment Plan is to create an attractive and pleasant environment in the Project Area. Therefore, such plans shall give consideration to good design, open space and other amenities to enhance the aesthetic quality of the Project Area. VVEDA shall not approve any plans that do not comply with this Redevelopment Plan.

I. (622) Building Permits

Any building permit that is issued for the construction of any new building or any addition, construction, moving, conversion or alteration to an existing building in the Project Area from the date of adoption of this Redevelopment Plan must be in conformance with the provisions of this Redevelopment Plan, any Design for Development adopted by VVEDA, any restrictions or controls established by resolution of VVEDA, and any applicable participation or other agreements.

VVEDA is authorized to establish permit procedures and approvals required for purposes of this Redevelopment Plan. A building permit shall be issued only after the applicant for same has been granted all approvals required by the Participating Jurisdictions and VVEDA at the time of application.

SECTION VII. (700) METHODS FOR FINANCING THE PROJECT

A. (701) General Description of the Proposed Financing Methods

Upon adoption of this Redevelopment Plan, VVEDA is authorized to finance this Redevelopment Plan with assistance from local sources, the State of California and/or the federal government, property Tax Increment Revenues, interest income, VVEDA bonds, donations, loans from private financial institutions or any other legally available source.

VVEDA is also authorized to obtain advances, borrow funds, issue bonds, and create indebtedness in carrying out this Redevelopment Plan. The principal and interest on such indebtedness may be paid from Tax Increment Revenues or any other funds available to VVEDA. Advances and loans for survey and planning and for the operating capital for administration of this Redevelopment Plan may be provided by the County or other Participating Jurisdiction until adequate Tax Increment Revenues or other funds are available to repay the advances and loans. The Participating Jurisdictions or other public agency, as it is able, may also supply additional assistance through issuance of bonds, loans and grants and in-kind assistance. Any assistance shall be at terms established by an agreement between VVEDA, Participating Jurisdictions and/or other public agency.

As available, gas tax funds from the State of California and the County of San Bernardino may be used for the street system.

VVEDA may issue bonds and expend their proceeds to carry out the Redevelopment Plan. VVEDA is authorized to issue bonds if appropriate and feasible in an amount sufficient to finance all or any part of implementation activities pursuant to this Redevelopment Plan. VVEDA shall pay the principal and interest on bonds of VVEDA as it becomes due and payable.

In addition to the foregoing, the Participating Jurisdictions, through the Joint Powers Agreement, have established procedures whereby each Participating Jurisdiction may individually or with other Participating Jurisdictions issue bonds secured by tax increment revenues; provided, however, that any pledge of tax increment revenues is limited to unencumbered tax increment revenues which would otherwise be allocated to each Participating Jurisdiction under the Fourth Amended Joint Powers Agreement.

B. (702) Tax Increment Revenue

1. (703) 1993 Project Area Tax Increment

All taxes levied upon taxable property within the 1993 Project Area each year by or for the benefit of the State of California, County of San Bernardino, the Participating Jurisdictions of VVEDA, any district or other public corporation (hereinafter called "taxing agencies") after the effective date of the ordinance of VVEDA approving this Redevelopment Plan, shall be divided as follows:

- a. That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of said taxing agencies upon the total sum of the assessed value of the taxable property in the 1993 Project Area as shown upon the assessment roll used in connection with the taxation of such property by such taxing agency, last equalized prior to the effective date of such ordinance, shall be allocated to and when collected shall be paid to the respective taxing agencies as taxes by or for said taxing agencies on all other property are paid (for the purpose of allocating taxes levied by or for any taxing agency or agencies which did not include the territory in the 1993 Project Area on the effective date of such ordinance but to which such territory has been annexed or otherwise included after such effective date, the assessment roll of the County of San Bernardino last equalized on the effective date of said ordinance shall be used in determining the assessed valuation of the taxable property in the 1993 Project Area on said effective date); and
- b. That portion of said levied taxes each year in excess of such amount shall be allocated as follows:
 - (i) from each Participating Jurisdiction's percentage share of the one percent (1%) tax rate as follows:
 - (a) each Participating Jurisdiction which is an incorporated city (the "City Member") shall have allocated as Tax Increment Revenues for VVEDA use, one hundred percent (100%) of its percentage share as well as a percentage share attributable to any municipally controlled special districts of such City Member, as the City Member may deem appropriate, in order that the total amount of the municipal share, when added with the percentage share of the municipally controlled districts of the City Member, equals 5.2935 percent of the one percent (1%) tax rate for property taxes generated upon the incremental assessed value of property located within the municipal boundaries of each City Member within the 1993 Project Area;
 - (b) the County on behalf of itself and any special districts governed by the Board of Supervisors shall also have allocated as Tax Increment Revenues for VVEDA use 5.2935 percent of the one percent (1%) tax rate for property taxes generated upon the incremental assessed value of property which is within (a) County unincorporated areas and (b) the municipally incorporated areas of the 1993 Project Area, which would otherwise be attributable to the County General Fund or any of the special districts governed by the County Board of Supervisors;
 - (ii) With respect to the 1993 Project Area, VVEDA shall not have allocated as Tax Increment Revenues that portion of the percentage share of the

one percent (1%) property tax rate attributable to the Apple Valley Fire Protection District, the Mojave Water Agency, the Baldy Mesa County Water District, the Mojave River County Water District, the Apple Valley Park District or the Hesperia Park District; and

- (iii) from all other taxing agencies not otherwise specified in (i) or (ii), above, there shall be allocated as Tax Increment Revenues for VVEDA use, the total amount of property taxes generated in excess of the amount provided in paragraph 1 hereinabove.

2. (704) Fourth Amendment Added Area and Eighth Amendment Added Area Tax Increment

All taxes levied upon taxable property within the Fourth Amendment Added Area and Eighth Amendment Added Area each year by or for the benefit of the State of California, County of San Bernardino, the Participating Jurisdictions of VVEDA, any district, other public corporation or taxing agencies after the effective date of the ordinance of VVEDA approving the inclusion of the Fourth and Eighth Amendment Added Areas respectively, shall be divided as follows:

- a. That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of said Taxing Agencies upon the total sum of the assessed value of the taxable property in the Fourth Amendment Added Area and Eighth Amendment Added Area as shown upon the assessment roll used in connection with the taxation of such property by such Taxing Agency, last equalized prior to the effective date of the ordinance, shall be allocated to and when collected shall be paid to the respective Taxing Agencies as taxes by or for said Taxing Agencies on all other property are paid (for the purpose of allocating taxes levied by or for any Taxing Agency or Agencies which did not include the territory in the Fourth Amendment Added Area and Eighth Amendment Added Area on the effective date of the ordinance but to which such territory has been annexed or otherwise included after such effective date, the assessment roll of the County last equalized on the effective date of the Ordinance shall be used in determining the assessed valuation of the taxable property in the Fourth Amendment Added Area and Eighth Amendment Added Area on said effective date).
- b. That portion of said levied taxes each year in excess of such amount shall be allocated as follows:
 - (i) from each Participating Jurisdiction's percentage share of the one percent (1%) tax rate as follows:
 - (a) each Participating Jurisdiction which is a City Member shall have allocated as Tax Increment Revenues for VVEDA use, one hundred percent (100%) of its percentage share as well as a percentage

share attributable to any municipally controlled special districts of such City Member, as the City Member may deem appropriate, in order that the total amount of the municipal share, when added with the percentage share of the municipally controlled districts of the City Member, equals 5.2935 percent of the one percent (1%) tax rate for property taxes generated upon the incremental assessed value of property located within the municipal boundaries of each City Member within the Fourth Amendment Added Area and Eighth Amendment Added Area;

- c. That portion of said levied taxes each year in excess of such amount shall be allocated to, and when collected shall be paid into, a special fund of the Agency to pay the principal of and interest on loans, monies advanced to, or indebtedness (whether funded, refunded, assumed, or otherwise) incurred by the Agency to finance or refinance in whole or in part, the Project and this Plan. Unless and until the total assessed valuation of the taxable property in the Added Area exceeds the total assessed value of the taxable property in the Fourth Amendment Added Area and Eighth Amendment Added Area as shown by the last equalized assessment roll referred to in paragraph (a.) hereof, all of the taxes levied and collected upon the taxable property in the Fourth Amendment Added Area and Eighth Amendment Added Area shall be paid to the respective Taxing Agencies. When said loans, advances, and indebtedness, if any, and interest thereon, have been paid, all monies thereafter received from taxes upon the taxable property in the Added Area shall be paid to the respective Taxing Agencies as taxes on all other property are paid. There is no time limit on the ability to establish loans, advance, or indebtedness; the ability to incur debt will remain until the effectiveness of the Redevelopment Plan expires.
- d. That portion of the taxes in excess of the amount identified in paragraph (a.) above which is attributable to a tax rate levied by a Taxing Agency for the purpose of producing revenues in an amount sufficient to make annual repayments of the principal of and interest on any bonded indebtedness for the acquisition or improvement of real property shall be allocated to, and when collected shall be paid into, the fund of that Taxing Agency. This paragraph (d.) shall only apply to taxes levied to repay bonded indebtedness approved by the voters on or after January 1, 1989.

In respect to the Fourth Amendment Added Area and Eighth Amendment Added Area, VVEDA shall not have allocated as Tax Increment Revenue that portion of the percentage share of the one percent (1%) property tax rate attributable to the Mojave Water Agency.

3. (705) Tax Increment Revenue Allocation

The Tax Increment Revenues designated for use by VVEDA, received each year, shall be allocated to and when collected shall be paid into a special fund of VVEDA to pay the principal of and interest on bonds, loans, moneys advanced to, or indebtedness (whether funded, assumed, or otherwise) incurred by VVEDA to finance or refinance in whole or in part, this Redevelopment Plan. Unless and until the total assessed valuation of the taxable property in the Project Area and Fourth Amendment Added Area and Eighth Amendment Added Area exceeds the total assessed value of the taxable property in the Project Area and Added Area Fourth Amendment Added Area and Eighth Amendment Added Area as shown by the last equalized assessment roll referred to in paragraph (1a and 2a) hereof, all of the taxes levied and collected upon the taxable property in the Project Area shall be paid to the respective taxing agencies. Tax Increment Revenues shall be allocated to VVEDA for forty-five (45) years from the date of adoption of the ordinance approving and adopting this Redevelopment Plan. When said bonds, loans, advances, and indebtedness, if any, and interest thereon, have been paid, all moneys thereafter received from taxes upon the taxable property in the Project Area shall be paid into the funds of the respective taxing agencies as taxes on all other property are paid.

VVEDA is authorized to make pledges as to specific advances, loans and indebtedness as appropriate in carrying out this Redevelopment Plan. The portion of taxes allocated and paid to VVEDA pursuant to this Section is irrevocably pledged to pay the principal of and interest on loans, monies advanced to, or indebtedness (whether funded, refunded, assumed, or otherwise) incurred by VVEDA to finance or refinance, in whole or in part, the redevelopment program for the Project Area.

4. (706) Other Tax Increment Revenue Allocations Pertaining to the 1993 Project Area

That portion of tax revenues allocated to VVEDA pursuant to paragraph Section 705 above which are attributable to increases in the rate of tax imposed for the benefit of any affected taxing agency which levy occurs after the tax year in which the ordinance adopting this Redevelopment Plan becomes effective shall be allocated to such affected taxing agency to the extent that the affected taxing agency has elected in the manner required by law to receive such allocation.

Notwithstanding any term or provision in this Redevelopment Plan to the contrary, as between VVEDA and the Apple Valley Fire Protection District, the Apple Valley Fire Protection District shall receive from the County Auditor-Controller and County Tax Collector all taxes including, without limitation, that portion of such taxes which would be placed in the County Augmentation Fund, which would be produced by the rate upon which the tax is levied each year within the 1993 Project Area for the Apple Valley Fire Protection District or which otherwise would be apportioned to the Apple Valley Fire Protection District pursuant to Revenue and Taxation Code Sections 97 and 97.5, without allocation of all or any portion of such Apple Valley Fire Protection District taxes, including,

without limitation, any portion thereof described in Section 706 hereof, or 33670(b) of the Community Redevelopment Law (Health and Safety Code Section 33000, et seq.), and such taxes shall not be deemed to constitute Tax Increment Revenues nor to have been allocated to VVEDA. Nothing herein shall be deemed to require VVEDA to make any payments of taxes which may be distributed in accordance with the provisions of this Section 706. However, in the event the provisions of this paragraph are not fulfilled, VVEDA shall consider the execution of an agreement in accordance with the provisions of Health and Safety Code Section 33401 in order to ensure that, as between the Apple Valley Fire Protection District and VVEDA, the intent of the paragraph be complied with.

C. (707) VVEDA Bonds

In accordance with the provisions of the Joint Powers Agreement, VVEDA is authorized to issue bonds from time to time, if it deems it appropriate to do so, in order to finance all or any part of Redevelopment Plan implementation activities.

Neither the members of VVEDA nor any persons executing the bonds are liable personally on the bonds by reason of their issuance.

The bonds and other obligations of VVEDA are not a debt of the Participating Jurisdictions, or the State, nor are any of its political subdivisions liable for them, nor in any event shall the bonds or obligations be payable out of any funds or properties other than those of VVEDA; and such bonds and other obligations shall so state on their face. The bonds do not constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. "VVEDA shall take steps to confirm that there will be adequate revenues to insure the payment of principal and interest on such bonds when they become due and payable, such as obtaining the services of consultants to confirm existing, and predict future, revenues prior to the issuance of any bonds. VVEDA shall pay such principal and interest when they become due."

Pursuant to Section 33492.40(d) of the Redevelopment Law, VVEDA hereby finds and determines that this Redevelopment Plan shall not limit the amount of bonded indebtedness that can be outstanding at any one time nor the time limit to incur bonded indebtedness. This finding is made upon a determination that the institution of such limits would make it impractical to achieve successful reuse of the Air Base and redevelopment of the Project Area.

In addition to the foregoing, the Participating Jurisdictions, through the Joint Powers Agreement, have established procedures whereby each Participating Jurisdiction may individually or with other Participating Jurisdictions issue bonds secured by tax increment revenues; provided, however, that any pledge of tax increment revenues is limited to unencumbered tax increment revenues which would otherwise be allocated to each Participating Jurisdiction under the Fourth Amended Joint Powers Agreement.

D. (708) Other Loans and Grants

Any other loans, grants, guarantees or financial assistance from the federal government, the State of California, or any other public or private source will be utilized, if available, as appropriate in carrying out this Redevelopment Plan. In addition, VVEDA may make loans as permitted by law to public or private entities for any of its redevelopment purposes.

E. (709) Rehabilitation Loans, Grants and Rebates

VVEDA and the Participating Jurisdictions may commit funds from any source to programs of residential and commercial rehabilitation for the purposes of loans, grants or rebate payments for self-financed rehabilitation work. The rules and regulations for such programs shall be those which may already exist or may be developed in the future. VVEDA and the Participating Jurisdictions shall seek to acquire grant funds and direct loan allocations for State and Federal sources, as they may be available from time to time, for the carrying out of such programs.

SECTION VIII. (800) ACTIONS BY VVEDA'S PARTICIPATING JURISDICTIONS

With respect to any actions and activities of VVEDA referenced in Sections 516 through and including 541 of this Redevelopment Plan, each Participating Jurisdiction may without the formal consent of VVEDA, enter into agreements or take actions on behalf of VVEDA to the extent such agreements or actions affect only projects within such Participating Jurisdiction's portion of the VVEDA Project Area and to the extent further that such Participating Jurisdiction (i) only pledges unencumbered tax increment revenues allocable to such Participating Jurisdiction, (ii) agrees to pay any and all costs associated with undertaking such projects or actions, and (iii) agrees to indemnify and hold VVEDA harmless with respect thereto.

The Participating Jurisdictions shall aid and cooperate with VVEDA in carrying out this Redevelopment Plan and shall take all actions necessary to ensure the continued fulfillment of the purposes of this Redevelopment Plan and to prevent the recurrence or spread in the area of conditions causing blight. Actions by the Participating Jurisdictions may include, but shall not be limited to, the following:

1. Institution and completion of proceedings for opening, closing, vacating, widening, or changing the grades of streets, alleys, and other public rights-of-way, and for other necessary modifications of the streets, the street layout, and other public rights-of-way in the Project Area. Such action by the applicable Participating Jurisdictions shall include the requirement of abandonment and relocation by the public utility companies of their operations in public rights-of-way as appropriate to carry out this Redevelopment Plan, provided that nothing in this Redevelopment Plan shall be considered to require the cost of such abandonment, removal and relocation be borne by other than those legally required to bear such costs.

2. Institution and completion of proceedings necessary for changes and improvements in public-owned public utilities within or affecting the Project Area.
3. Performance of the above, and of all other functions and services relating to public health, safety, and physical development normally rendered in accordance with a schedule which will permit the redevelopment of the Project Area to be commenced and carried to completion without unnecessary delays.
4. Imposition whenever necessary of appropriate design controls within the limits of this Redevelopment Plan in the Project Area to ensure their proper development and use.
5. Provisions for administration and enforcement of this Redevelopment Plan by the applicable Participating Jurisdictions after development.
6. The undertaking and completion of any other proceedings necessary to carry out this Redevelopment Plan.
7. The expenditure of any funds from the Participating Jurisdictions in connection with redevelopment of the Project Area pursuant to the Redevelopment Plan.

SECTION IX. (900) ADMINISTRATION AND ENFORCEMENT

Upon adoption, the administration and enforcement of this Redevelopment Plan or other documents implementing this Redevelopment Plan shall be performed by VVEDA and the Participating Jurisdictions.

The provisions of this Redevelopment Plan or other documents entered into pursuant to this Redevelopment Plan may also be enforced by court litigation by VVEDA. Such remedies may include, but are not limited to, specific performance, damages, re-entry, injunctions, or any recorded provisions which are expressly for the benefit of owners of property in the Project Area may be enforced by such owners.

SECTION X. (1000) DURATION OF THIS REDEVELOPMENT PLAN

The following time limitation shall apply to this Plan:

A. (1001) Duration of This Plan

Except for the non-discrimination and non-segregation provisions of this Plan, and recorded covenants implementing the same, which shall remain in effect as in perpetuity, and except as otherwise expressly provided herein, the provisions of this Plan shall be effective, and the provisions of other documents formulated pursuant

to this Plan shall be effective for thirty (30) years from the date of adoption of the Ordinance adopting this Plan.

Effectiveness Date: December 20, 2036

After the expiration of the effective term of the Plan, VVEDA shall have no authority to act pursuant to the Plan except to pay previously incurred indebtedness and to enforce existing covenants or contracts. However, if VVEDA has not completed its housing obligations pursuant to Section 33413 of the Redevelopment Law, VVEDA shall retain its authority to implement requirements under 33413, including the ability to incur and pay indebtedness for this purpose, and shall use this authority to complete these housing obligations as soon as is reasonably possible.

Pursuant to Section 33492.40(d) of the Redevelopment Law, VVEDA has found and determined that this Redevelopment Plan shall not limit the number of dollars and taxes which may be divided and allocated to VVEDA for the Project Area. This finding is made upon the determination that the institution of such a limit would make it impractical to achieve successful reuse of the Air Base and redevelopment of the Project Area.

Provided, however, that the time limits established in this Section 1001 may be extended in the manner provided by applicable law.

SECTION XI. (1100) PROCEDURE FOR AMENDMENT

This Redevelopment Plan may be amended by means of the procedure established in Sections 33450-33458 and Section 33492.40 of the Redevelopment Law or by any other procedure hereafter established by law.

LIST OF EXHIBITS

- Exhibit A** Redevelopment Plan Map for the Victor Valley Redevelopment Project
- Exhibit A- 1** Redevelopment Plan Map for the Fourth Amendment Added Area
- Exhibit A- 2** Redevelopment Plan Map for the Eighth Amendment Added Area
- Exhibit B** Legal Description of the Victor Valley Project Area Boundaries
- Exhibit B- 1** Legal Description of the Fourth Amendment Added Area Boundaries
- Exhibit B- 2** Legal Description of the Eighth Amendment Added Area Boundaries
- Exhibit C** Map Depicting the Eminent Domain Area for the 1998 Amendment Area
- Exhibit C- 1** Listing of the County Assessor Parcel Numbers and Street Addresses of Properties within the 1998 Amendment Area
- Exhibit C- 2** Map of the Fourth Amendment Eminent Domain Area
- Exhibit C- 3** Map of the 2003 Amendment Area Eminent Domain Area
- Exhibit C- 4** Legal Description of the 2003 Amendment Eminent Domain Area
- Exhibit C-5** Listing of the County Assessor Parcel Numbers and Street Addresses of the Certain Properties Affected by Eminent Domain in the 2003 Amendment Area
- Exhibit D** Listing of the Proposed Redevelopment Project Improvements
- Exhibit E** Diagram on Open Space for the Victor Valley Project Area
- Exhibit E- 1** Diagram on Open Space for the Fourth Amendment Added Area
- Exhibit E- 2** Diagram on Open Space for the Eighth Amendment Added Area